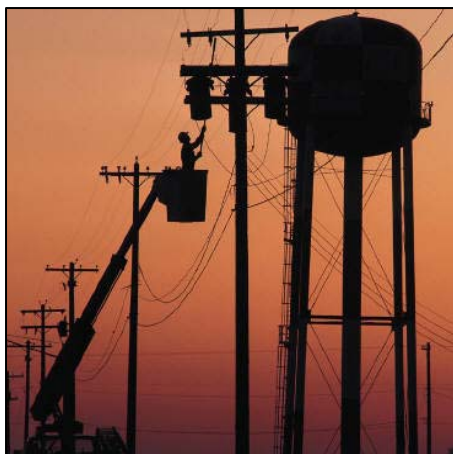


T E N N E S S E E



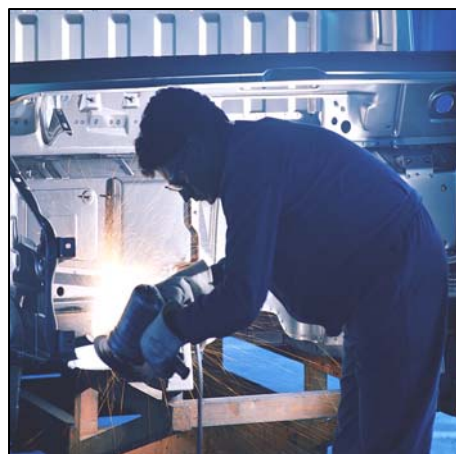
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A N N U A L R E P O R T



Committed to the future of rural communities.



"Rural America is diverse, and the challenges facing rural communities are wide-ranging, varied, and defy homogeneous solutions."

*-George W. Bush
President of the United States*



Mike Johanns
U.S. Sec. of Agriculture



Thomas Dorr
Under Sec. for Rural Development

Message from the Secretary

On May 11, 2005, USDA Rural Development celebrated 70 years of service to America. Today, that commitment is demonstrated in dramatic form by the response of Rural Development to the unprecedented series of hurricanes that slammed into the Gulf Coast in the late summer and autumn of 2005. Hurricane Katrina -- the most destructive storm ever to hit the United States in terms of property damage, though fortunately not in loss of life -- was followed in rapid succession by Rita and Wilma. The damage was immense; the loss of life, heavy. Outside of New Orleans and Biloxi, most of the devastated areas were rural.

Rural Development personnel -- including many who had lost their own homes -- worked around the clock to staff recovery centers and provide shelter. They worked with our Federal, State, local and nonprofit partners to repair water, telecommunications, and electrical systems. By mid November, more than 9,700 evacuees had been housed in Rural Development-funded units in 42 States. And in the months and years ahead, Rural Development will play an important role in rebuilding housing, community facilities, and infrastructure throughout the disaster area.

Agriculture Under Secretary for Rural Development Thomas Dorr

In each of the last five years, the Bush Administration has invested about \$13 billion in rural America. Rural Development has provided housing, water and sewer funds, hundreds of millions of dollars in business loan guarantees, telecommunications and electricity loans and grants. Public safety buildings, rescue equipment, libraries, town halls and access to broadband have all been made possible through the efforts of Rural Development.

One of the biggest challenges facing our nation is the need for renewable energy. In our ongoing effort to promote development of new energy sources, USDA Rural Development in 2005 funded 154 renewable energy grants and two renewable energy loans totaling \$32.3 million. Additionally, through the Value Added Producer Grant program, Rural Development provided \$2.8 million for 30 more energy related projects.

What makes all this happen are the USDA Rural Development employees. The incredible job our employees did to provide aid to the victims of Hurricanes Katrina, Rita and Wilma was amazing. Working with our Federal, State and local partners, Rural Development found housing for thousands of evacuees, staffed over 80 recovery centers, handled thousands of calls and met face to face with thousands of victims. I'm proud of the job our employees do every day.

The face of rural America continues to change, and USDA Rural Development is changing with it... we are rural America's investment bank, a venture capital entity that creates jobs, promotes business development, and provides community facilities and affordable housing.

-Thomas Dorr



Message from the Tennessee State Director

Fiscal Year 2005 was another successful year for our Tennessee rural communities. This year, Rural Development provided more than **\$257 million** in financial assistance. These funds helped provide quality housing, good jobs, clean drinking water, and more reliable, modern essential community facilities and services that have impacted over **459,177** rural residents and businesses across our great state.

Rural Development continues to build partnerships among agencies, communities and individuals who share our commitment to improving the quality of life for all rural residents. This pledge took on new meaning this year as our sister states were so deeply affected by the aftermath of Hurricane Katrina. To that end, Rural Development has helped more than **76 families** including **62 children** displaced by Hurricane Katrina find safe housing in multi-family units across Tennessee.

Our staff is truly committed to helping communities gain access to economic opportunities and infrastructure development that is vital for the future growth of our great state. They truly exemplify our agency's *commitment to the future of our rural communities*.

I would like to express sincere thanks to our numerous partners and congressional delegation for their support and commitment in helping rural communities grow and succeed. I hope you will find this annual report a resource on our varied programs and a guide to charting future successes across Tennessee.

How the dollars add up in rural Tennessee

3,186 the number of families or individuals assisted to become homeowners

1,786 the number of rural residents who gained access to a safe, clean, reliable water source

234 the number of homes repaired to remove health and safety hazards and to make homes accessible for people with disabilities

1,666 the number of jobs created or saved

383 the number of multi families housing complexes that provide over 12,889 rental apartment units

156 the number of dedicated USDA Rural Development employees delivering services to rural Tennessee



Homeownership is no longer just a dream

Housing - The acquisition of **affordable housing** is the major emphasis of our housing programs. Our innovative programs include the Single Family Housing (SFH) program which can provide assistance to **buy, build,** and **repair homes**, as well as partner with local lending institutions to **guarantee housing loans**.

About our Housing Program



Fentress County Home Repair Loan - before and after photographs of a home which received a Rural Development Direct 504 Loan/Grant to make much-needed siding, gutter, electrical and flooring home repairs.



Belle Mead Apartments is a 56-unit family complex in Knox County financed through Rural Development's Multi-Family Housing program.



Beacon Light Apartments - the first off-farm labor housing complex in Tennessee - will assist farm laborers in rural Warren County and received over \$1.1 million in total Rural Development funding.

Affordable Housing

Single Family Housing

The availability of sound affordable housing continues to be a major emphasis for our housing program. Our programs are designed to enable low and very-low income families to either purchase, repair or rent quality affordable housing. This is accomplished through our Single Family and Multi-Family Housing Programs.

Guaranteed 502 Loans

Families with moderate income, but without funds for a downpayment, can buy well-constructed homes with loans made by a local bank or mortgage broker and guaranteed by Rural Development. Mortgages are a 30 year fixed rate at market interest rates and loans may be approved for up to 100 percent of appraised value or for the acquisition cost, whichever is less.

Self-Help Housing

Grants are awarded to nonprofit and local government organizations to provide technical assistance to enable participant families to construct affordable housing. The nonprofit is responsible for recruitment and supervision of groups of six to 10 families in constructing their homes using "sweat equity."

Direct 504 Loans and Grants

This house repair program, designed for very low-income homeowners, is comprised of both a loan and grant component. Loans are available at one percent interest for amounts not to exceed \$20,000 and up to 20 year repayment terms. Homeowners who are age 62 and older can receive home improvement grants of up to \$7,500 for essential repairs if they cannot afford a loan at the one percent interest rate. Our 504 loan and grant funds may be leveraged with other rehabilitation funds that the owner may secure.

Site Development Loans

Nonprofit organizations may apply for funds to purchase and develop adequate sites for affordable homeownership units. Funded activities include street development, utility installation, grading, site preparation, landscaping and administrative fees. Loans are available at the 502 market rate at a term not to exceed two years.

Direct 502 Loans

Affordable loans made to very-low and low income applicants. The loan amount and loan payment if based on income. Subsidizing these loans makes the 502 Direct Loans a viable option for many low-income families.

Multi-Family Housing

Rural Rental Housing (Direct/ Guaranteed)

This program provides safe and affordable rental housing for very low to moderate income rural Tennesseans. This includes family and elderly housing developments. Our present portfolio consists of 383 complexes comprised of 12,889 units. Our goal is to increase the supply of affordable rural rental housing through the use of loan guarantees that encourage partnerships between Rural Development, private lenders and public agencies.

Housing Preservation Grants

These grants are provided to nonprofit organizations and government entities for renovating deteriorating homes occupied by families whose incomes fall into the low and very low categories. The homes are refurbished to alleviate health and safety hazards while enhancing the appearance of the community.

Farm Labor Housing

This program provides loans and grants for the provision of rental housing in rural areas for domestic farm laborers.

Housing Program

Lives Transformed



BUILDING RURAL COMMUNITIES

The Crowell's

Billy and Colvine Crowell along with their two children, James and Sarah, receive the Rural Development "Key to Homeownership" in recognition of their first home purchase - a three bedroom, one and one-half bath residential home in Obion County, financed through Rural Development's Housing Program.

The Keith Family

Covington Area Director Harriet Cannon, along with other Rural Development and Patriot Bank of Atoka representatives joined together to celebrate National Homeownership Month by congratulating Tipton County residents, David and Heather Keith, who recently purchased a new 1,755 square-foot three bedroom, two bath home through Rural Development's Guaranteed Housing Program and Patriot Bank.

The Rowland Family

New homeowner Lisa G. Rowland and her daughter, Molly Jean, moved into their Rural Development financed three bedroom, two bath home in Bradyville. "I am so glad to have realized the American Dream of homeownership for me and my daughter," Lisa Rowland said. The Rowland's learned of the available housing assistance while visiting the USDA Service Center in Woodbury.

Program Accomplishments

- ✓ Ranked **third** nationally with more than **\$46 million** invested across the state.
- ✓ **505** the number of first time home buyers with loans through Tennessee Rural Development in FY '05
- ✓ **92** the number of new minority family homeowners assisted in FY '05.
- ✓ **62** the percentage of funds delivered to female applicants.

"Owning a home has made me more responsible, more proud of myself and much happier. I previously rented a house for five years. Now, I own my own home where I feel much safer and secure, and know my children are happy."

- Kimberly Spears, Lebanon, Tennessee

Spotlight: The Spears Family



... ONE FAMILY AT A TIME

Homeownership became a reality for Kimberly Spears and her three children when she was able to purchase a 1,257 square-foot, three bedroom, two bath home as a result of a partnership between Rural Development, Affordable Housing Resources (AHR), Inc., and the Tennessee Housing Development Agency (THDA).

State Director Tackett, along with homeownership partners – THDA; AHR, and the U.S. Department of Housing and Urban Development (HUD) – joined together to celebrate National Homeownership Month and congratulate the Wilson County family, on the purchase of their new home.

Loan/Grant	Amount	Families/ Individuals Assisted	Congressional Districts	Loan/Grant Assistance	Families/ Individuals Assisted
Direct Loans	\$36,196,925	574	Blackburn (7)	\$17,287,493	434
Guaranteed Loans	\$128,447,864	1,392	Cooper (5)	\$3,909,121	45
Repair Loans and Grants	\$869,850	124	Davis (4)	\$37,473,796	755
523 Self Help Grants	\$480,060	24	Duncan (2)	\$17,979,125	207
Housing Preservation Grants	\$321,298	110	Gordon (6)	\$27,832,696	480
Rural Rental Housing	\$1,353,309	77	Jenkins (1)	\$15,338,841	307
Rural Rental Assistance	\$8,843,040	884	Tanner (8)	\$29,570,956	532
Farm Labor Housing	\$63,642	1	Wamp (3)	\$27,177,820	425
			*District 9 exceeds population criteria for Rural Development assistance.		
TOTAL	\$176,575,988	3,186	TOTAL	\$176,569,848	3,185



Investing in tomorrow's economy, today

Business - The goal of the Business-Cooperative Program is to support the rural economy of Tennessee by providing **financial and technical assistance** in an effort to **create and save quality jobs** while protecting the environment. The assistance is provided to small and emerging businesses, lenders, cooperatives, intermediaries, public entities, and nonprofit organizations. Funding comes in the form of **loan guarantees, revolving loan funds, and business development grants**.

About Our Business Program



Highland Veterinary Hospital, located in Oneida, Tennessee, continues to care for animals in part through an Intermediary Relending Program (IRP) Loan to help purchase much-needed machinery and equipment. The veterinary hospital provides 24-hour care to the community.



Morrison Tool and Fabric received over \$1 million in Rural Development funding through a Rural Economic Development loan and grant to Caney Fork Electric Cooperative as part of an economic development and job creation initiative for the region.



Tullahoma Industries manufactures uniforms for the U.S. Department of Defense. The company received a \$4 million Business and Industry Guaranteed Loan to aid the purchase of manufacturing facilities and equipment for their 280-plus employees.

Developing Economies

Business & Industry (B&I) Guaranteed Loans

This program allows a commercial lender to receive a guarantee up to 80 percent of the loan made. The guarantee encourages the lender to make larger loans while providing better rates and terms. Loan proceeds may be used for working capital, machinery and equipment, buildings and real estate, and certain types of debt refinancing.

Rural Economic Development Loans and Grants

Loans and grants are made to Rural Utilities Service electric borrowers for the creation and retention of jobs in rural areas. Zero-interest loans are made to finance business startup ventures and business expansion projects. Grants are made to electric utilities to establish revolving loan programs operated at the local level by the utility.

Intermediary Relending Program (IRP) Loans

This program provides funding to intermediaries, who in turn, relend the funds to ultimate recipients for rural business activities. The intention of the program is to enhance small business development in rural communities.

Value-Added Agricultural Producer Grant (VAPG)

The primary objective of this program is to assist eligible independent producers of agricultural commodities, agricultural producer groups, farmer and rancher cooperatives, and majority owned producer based business ventures to (1) develop business plans and feasibility studies for viable business opportunities, and (2) develop strategies to create marketing opportunities.

Rural Business Opportunity Grants (RBOG)

These grant funds are provided for technical assistance, training and planning activities that improve economic conditions in rural areas.

Rural Business Enterprise Grants (RBEG)

Grant funds are used to finance and facilitate the development of small and emerging private business in rural communities. Eligible entities include public bodies, nonprofit organizations and federally recognized tribal groups.

Business Program

Economic Opportunities



DEVELOPING ECONOMIC OPPORTUNITIES

Smith County Chamber of Commerce Facility Ribbon Cutting

Governor Phil Bredesen and State Director Tackett join local officials at a ribbon cutting ceremony for the Smith County Chamber of Commerce's Community and Business Information Center in Carthage. The facility is financed in part through Rural Development's Rural Business Enterprise Grant program.

Nationally Competitive Energy Grant Awarded to Tennessee

U.S. Sen. Lamar Alexander joins State Director Tackett and Jim Patterson, CEO for Ethanol Grain Processors which received a \$150,000 nationally competitive Rural Development grant to assist with the development and operation of an innovative value-added business venture which transforms corn into ethanol fuel. The ethanol produced by Ethanol Grain Processors in West Tenn., will be distributed throughout the United States.

New Hospice House Groundbreaking

Officials gather at a groundbreaking for Cumberland House—a new 4,067 square-foot, six-bed residential hospice care facility partially funded through a \$30,000 USDA Rural Development Community Facilities Grant to the Crossville Housing Authority and a \$100,000 Rural Economic Development Grant to Volunteer Energy Cooperative.

Program Accomplishments

- ✓ More than **\$21,295,000** million invested in economic infrastructure across Tennessee.
- ✓ **496** the number of businesses assisted through Tennessee Rural Development in FY '05.
- ✓ **1,666** the number of jobs created or saved through Tennessee Rural Development's Business Program in FY '05.

"People know when they buy from local businesses they are strengthening their local economy. Jubilee wants to help home-grown businesses thrive, and we want to do it by building on the great assets of our local culture and rich farmland. The far-sighted support of Rural Development for this work will help rebuild the infrastructure of rural entrepreneurs serving their neighbors in the region."

-Steve Hodges, Executive Director of Jubilee Project

Spotlight: The Jubilee Project



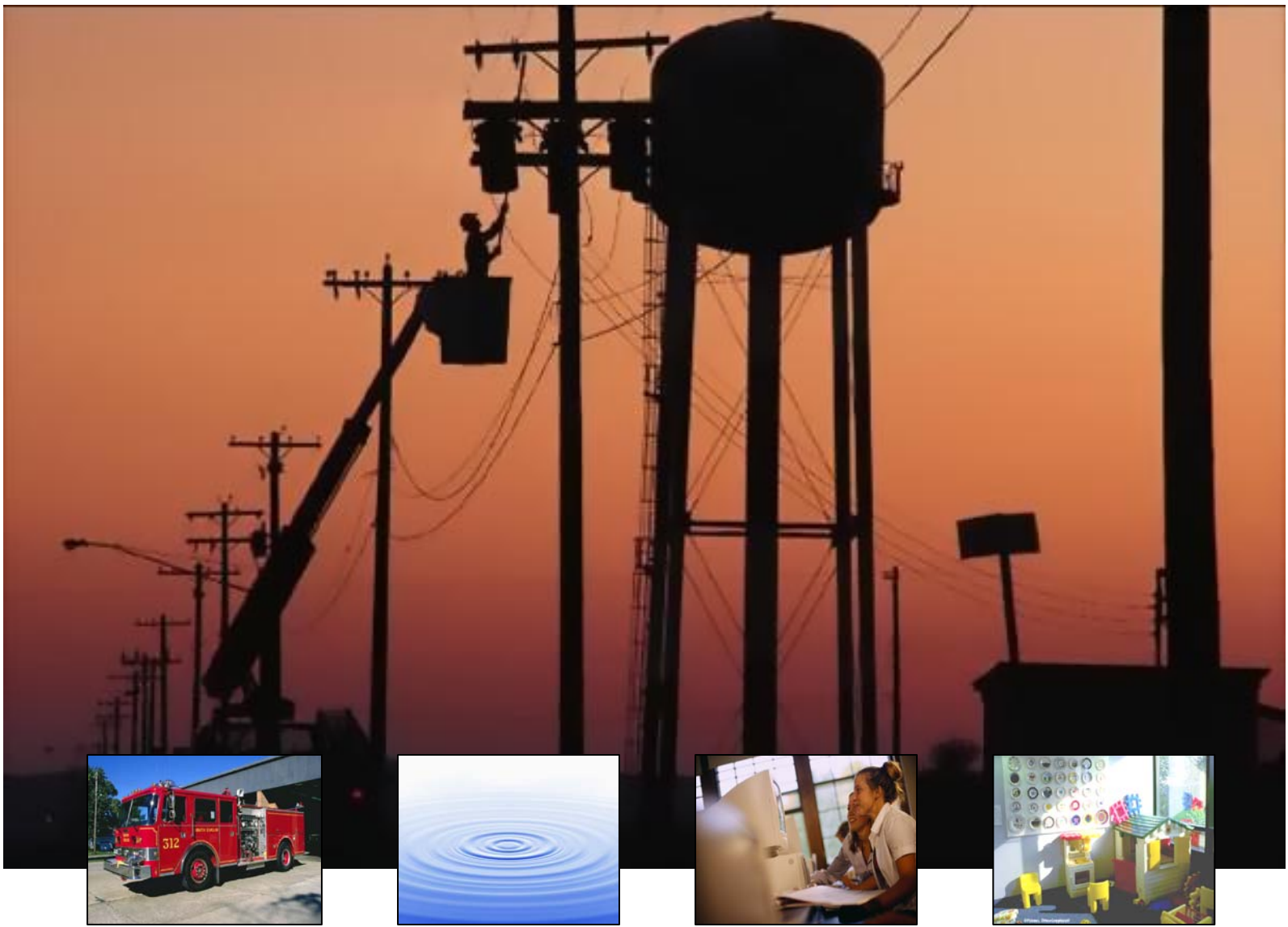
...FROM THE GROUND UP

Rural Development supports the work of Jubilee Project, Inc., in East Tennessee. Dozens of small businesses use the Jubilee Project's Clinch Powell Community Kitchen to make commercial food products which creates jobs for local workers from several counties who are trained by a kitchen manager.

Bill Davidson uses his own farm-grown fruit and vegetables to create jellies, salsa, relishes and soups in Jubilee's processing facility. He sells these products through Appalachian Spring Cooperative which was started and assisted through the Jubilee Project. He and other farmers also sell produce to local schools.

Keith Bowman handcrafts traditional brooms and beautiful wooden utensils. He and other artisans have quadrupled sales thanks to small business assistance from Rural Development and Jubilee Project.

Loan/Grant	Amount	Businesses Assisted	Jobs Created/Retained	Congressional Districts	Loans/Grants	Businesses Assisted	Jobs Created/Retained
Business/Industry Loans (Guaranteed)	\$16,914,000	9	701	Blackburn (7)	\$53,000	3	***
Rural Business Enterprise Grants (RBEG)	\$1,371,000	428	263	Cooper (5)	\$200,000	3	***
Rural Business Opportunity Grants (RBOG)	\$50,000	42	10	Davis (4)	\$3,179,495	68	798
Rural Economic Dev. Loans & Grants (REDLG)	\$2,000,000	15	591	Duncan (2)	\$44,600	12	23
Intermediary Relending Program (IRP) Loans	\$750,000	1	***	Gordon (6)	\$7,800,000	4	167
Value-Added Agricultural Product Market Development	\$150,000	1	100	Jenkins (1)	\$90,000	293	160
Renewable Energy Grants	\$60,000	1	1	Tanner (8)	\$6,077,905	109	439
				Wamp (3)	\$3,850,000	5	79
TOTAL	\$21,295,000	497	1,666	*District 9 exceeds population criteria for Rural Development assistance.			
				TOTAL	\$21,295,000	497	1,666



Community Programs - The quality of life in rural Tennessee is dependent upon the services provided to the residents. Community Programs play a major role in providing **basic infrastructure** including water, wastewater and solid waste management. These programs also administer **loan and grant assistance** for electric, telecommunications, community facilities and distance learning/telemedicine projects.

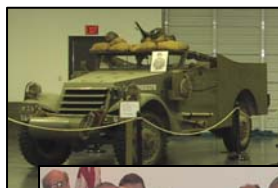
About Our Community Programs



Richard Hardy Memorial School in South Pittsburg, Tennessee received \$2.8 million in assistance through the Community Facilities Program for a 27,800 square-foot expansion that will include a school gymnasium, cafeteria, six additional classrooms and parking area.



Hardeman County Community Health Center received a \$898,000 Community Facilities Guaranteed Loan for this 8,000 square foot expansion to provide behavioral health services including psychological, neurological and substance abuse treatment.



Dyersburg Army Air Base Veterans Museum in Halls, Tennessee was joined by U.S. Rep. John Tanner to receive a \$100,000 Community Facilities Loan and Grant for a 4,900 square foot addition. The project is co-funded with a \$89,000 HUD grant.

Building Communities

Direct Community Facilities Loans and Grants

Loans and grants funded directly from Rural Development to public bodies, nonprofit corporations and federally recognized Native American tribes. Funds can be used for fire, rescue and other public safety services; health care, elder and child care; culture, education, transportation, energy transmission and municipal activities.

Guaranteed Community Facilities Loans

Loans are made and serviced by lenders such as banks and savings and loan associations for the same purposes as the direct program. Guarantees are available for up to 90 percent of any loss of interest and principal on the loan.

Distance Learning/Telemedicine Program

This program is specifically designed to meet the educational and health care needs of rural Tennessee. Loan and grant funding is available to provide advanced learning and health care opportunities.

Direct Water and Waste Disposal Program

Funds may be used to extend new water and sewer lines to rural areas. In addition, funds can be used for rehabilitating or developing water and wastewater systems, including solid waste disposal and storm drainage.

Guaranteed Water and Wastewater Loans

Loans are made and serviced by lenders such as banks and savings and loan associations for the same purposes as the direct program. Guarantees are available for up to 90 percent of any loss of interest and principal on the loan.

Solid Waste Management Grants

Funding is aimed at reducing or eliminating pollution of water resources and improving planning and management of solid waste facilities. Public entities and nonprofit organizations are eligible to provide technical assistance in enhancing operations and maintenance, identifying threats to resources and reducing solid waste.

Community Programs

Building Communities



STRENGTHENING COMMUNITY INFRASTRUCTURE

Rural Development Awards \$5,000 to Second Harvest Food Bank

Through a Rural Development Community Facilities Grant, Second Harvest Food Bank of Northeast Tennessee received a \$5,000 grant to renovate their existing warehouse facility and expand its freezer capacity by 2,000 square feet. A loading dock, as well as an entrance and staging area for trucks and other vehicles will also be added. These upgrades will help distribute an additional 250,000 pounds of food annually to the most economically depressed people in Northeast Tennessee.

Putnam Railroad Line Receives \$7.7 Million Award for Improvements

Nashville and Eastern Railroad Authority received \$7.7 million through Rural Development's Community Facilities Program to construct and re-establish the mainline railroad track from Algood to the Crawford community in Putnam County. Rural Development funds will be used to make improvements to rail sections including upgrading to heavier gauge steel, replacing crossties and a 164-foot bridgeway. The rail service upgrades will divert an estimated 10,000 truckloads from local roads annually. It will also open the area to new shipments of raw materials for manufacturing, LP gas for distribution in Tennessee and Kentucky, and shipments of frozen foods, forest products and other mining commodities.

New \$280,000 Child Care Facility Celebrates Groundbreaking

Congressman Lincoln Davis joins officials at a groundbreaking for Kids Land Child Care—a new 3,600 square-foot child care facility which received \$280,000 in Rural Development funding through its Community Facilities Program. Upon completion, the facility will have the potential of providing professional child care for up to 100 children. Proposals for the facility include child care for children as early as six-months to 12-years-old.

More than 50 letters of support for the child care facility were received from local residents as well as community and regional leaders.

Program Accomplishments

- ✓ Ranked **second** nationally in number of grants for the Water and Wastewater Disposal Loan Program, and number of loans for the Community Facilities Program.
- ✓ **\$5,819,000** the amount of funding assistance provided to support new construction or renovation of community facilities such as child care centers, school building expansions, city halls, libraries, community centers and Boys and Girls Club facility improvements and expansions across Tennessee.
- ✓ **\$668,000** the amount of assistance provided to police, fire and rescue first responders to purchase fire trucks, police cruisers, rescue vehicles and other essential life safety equipment for service departments across Tennessee.
- ✓ **453,871** the total number of residents served by Rural Development's Community Programs to improve basic infrastructure and community facilities for rural areas statewide.

"The combination loan and grant we received from USDA Rural Development made it possible to acquire our first response truck and super tanker. This is a substantial upgrade for our rural department, enabling us to provide vital fire and emergency medical services to a very isolated community."

- Chief Charles McQueen, Shady Valley Volunteer Fire Department

Spotlight: Emergency Services



... BY HELPING THOSE WHO NEED IT MOST

Shady Valley Volunteer Fire Department

Located near the Cherokee National Forest, the Shady Valley Volunteer Fire Department is often the first, and only, emergency service available to the Shady Valley community. USDA Rural Development provided \$50,000 in funding assistance for the purchase of a 2005 Ford F-350 Super Duty First Response Truck. A customized 3300 tank was also acquired to support an existing fire service truck.

Bledsoe County Rescue Squad

Rural Development celebrated the grand opening of the Bledsoe County Rescue Squad's new training facility located in Pikeville, Tenn. Funds were used to complete the interior of the 7,000 square foot metal facility which will accommodate the Rescue Squad's equipment storage, training room, kitchen, office, day room, and additional storage.

Cosby Volunteer Fire Department

Rural Development Area Director Jerry Amonett presented \$26,000 in assistance to Cosby Volunteer Fire Department (VFD) to purchase new fire equipment. The department will purchase radios to replace aged and failing equipment as well as much needed turnout gear, two exhaust fans and new flashlights to be carried in each fire engine.

Loan/Grant	Amount	Users Assisted (Loans & Grants)	Congressional Districts	Loans	Grants	Users Impacted
Water/Waste Grants	\$10,809,700	{127,552 Total}	Blackburn (7)	\$3,490,400	\$986,933	23,184
Water/Waste Loans	\$30,659,000		Cooper (5)	***	***	***
<i>Solid Waste Management Grants</i>	\$70,000	***	Davis (4)	\$10,657,850	\$2,910,983	144,983
Community Facility Loans	\$16,760,400	{326,319 Total}	Duncan (2)	\$3,869,850	\$438,900	62,613
Community Facility Grants	\$655,000		Gordon (6)	\$11,029,000	\$555,100	88,898
			Jenkins (1)	\$10,086,350	\$3,297,300	84,036
			Tanner (8)	\$5,516,900	\$2,737,734	28,956
			Wamp (3)	\$2,769,050	\$607,750	21,201
*District 9 exceeds population criteria for Rural Development assistance.						
TOTAL	\$58,954,100	453,871	TOTAL	\$47,419,400	\$11,534,700	453,871

Record Conference Attendance



Representatives for U.S. Sen. Lamar Alexander, Patrick Jaynes and Brent Wiles, with Ruth Tackett at the conference opening ceremony.



Opening ceremony at Tennessee Technological University in Cookeville.



Former TVA Chairman and conference sponsor, Glenn McCullough and Ruth Tackett.

More Than 500 Government, Community Leaders Join For 10th Annual Rural Development Conference

Rural Development's 10th Annual Rural Development Conference enjoyed its largest attendance in a decade, bringing together more than 500 participants from across Tennessee to help foster community and economic development as well as provide resources, ideas and tools that attendees can take back to their communities in order to assist them in developing and maintaining economic growth.

The conference focused on its 2005 theme, "Developing Strategies for Action" and was held on the campus of Tennessee Technology University (TTU) in Cookeville.

Keynote speaker at this year's conference included Donald T. Iannone, a 28-year veteran of the economic development and higher education fields whose consulting practice has helped nearly 250 public and private sector clients in 41 states and 13 countries. Dr. Dale Henry joined the conference as luncheon speaker with more than ten guest speakers from leading universities and economic development organizations from across the country delivering business, leadership and community development workshops.

In addition to TTU and TVA, Rural Development welcomed a record number of sponsorships including: MMA Creative; the Tennessee Development District Association; Cookeville Area-Putnam County Chamber of Commerce; Highers, Koonce and Associates Civic and Environmental Engineering; J.R. Wauford & Company Consulting Engineering; Lamar, Dunn & Associates; Primetrust Bank; Stigall Engineering Associates; Tysinger, Hampton & Partners; and the Tennessee Association of Utility Districts.

Partners Make a Difference

Special Needs Housing



LEFT: Don Alexander, Crossville Housing Authority; Janice Myrick, Tennessee Housing Development Authority; Charlie Watkins, Creative Compassions, Inc; Cecil Martin; Jill Jackson, Hilltoppers; Cindy Farmer, USDA Rural Development; and Julaine Harris, Fannie Mae.

Cecil Martin of Crossville Tennessee recently became one of three residents in rural East Tennessee to purchase a new modular home thanks to a partnership designed to expand homeownership to individuals with special needs. Cecil is one of many developmentally disabled adults eligible for homeownership through the multi-agency collaboration.

USDA Rural Development provided Cecil subsidized first mortgage financing, with second mortgages subsidized through the U.S. Department of Housing and Urban Development's (HUD) Section 8 Homeownership Program. Fannie Mae also made a \$250,000 Community Development Financial Institution investment in the Federation of Appalachian Housing Enterprises, Inc. (FAHE) - which provided construction financing for the home through its affiliates - to capitalize the second mortgage loan pool.

2005 Rural Development Partnership Award Presented to Tennessee Department of Agriculture



Tennessee Department of Agriculture Commissioner Ken Givens accepts the 2005 Partnership Award from Rural Development State Director Mary Ruth Tackett during the Department's Agritourism Conference in Franklin, Tenn.

USDA Rural Development State Director Mary "Ruth" Tackett presented Tennessee Department of Agriculture Commissioner, Ken Givens, the "2005 Rural Development Partnership Award" in recognition of the Department's success with the Tennessee Agri-tourism initiative which assists entrepreneurs to build farm income and increase tourism in rural communities. The award was presented during a statewide conference entitled, "Agri-tourism Cultivating Farm Revenue" in Franklin.

The partnership between USDA Rural Development and the Tennessee Department of Agriculture began in May 2003 when Rural Development awarded a \$100,000 grant to develop a marketing and promotional plan that would help promote agri-tourism. The following year, Rural Development awarded an additional \$100,000 grant to assist the second phase of the statewide agri-tourism initiative which included promotion, education, research and development activities. This year, a \$25,000 grant was awarded to assist with marketing and promotion of agri-tourism at tradeshow, development of brochures, and other materials.

T E N N E S S E E



Gibson Electric Membership Corporation was joined by U.S. Rep. John Tanner to receive \$410,000 in Rural Development funding to assist in financing the construction of a river port in Lake County. The facility will be constructed along the Mississippi River at the Cates Landing area north of Tiptonville and will create over 100 new jobs.



Dickson Theatres, LLC., received a \$3.7 million Business and Industry Guaranteed Loan to provide long-term debt refinancing for the existing eight-screen movie theatre in rural Dickson. The facility is the only first run movie complex in a five-county region. The business currently employs 43 part-time positions and 17 full-time positions.

Union City Area Office

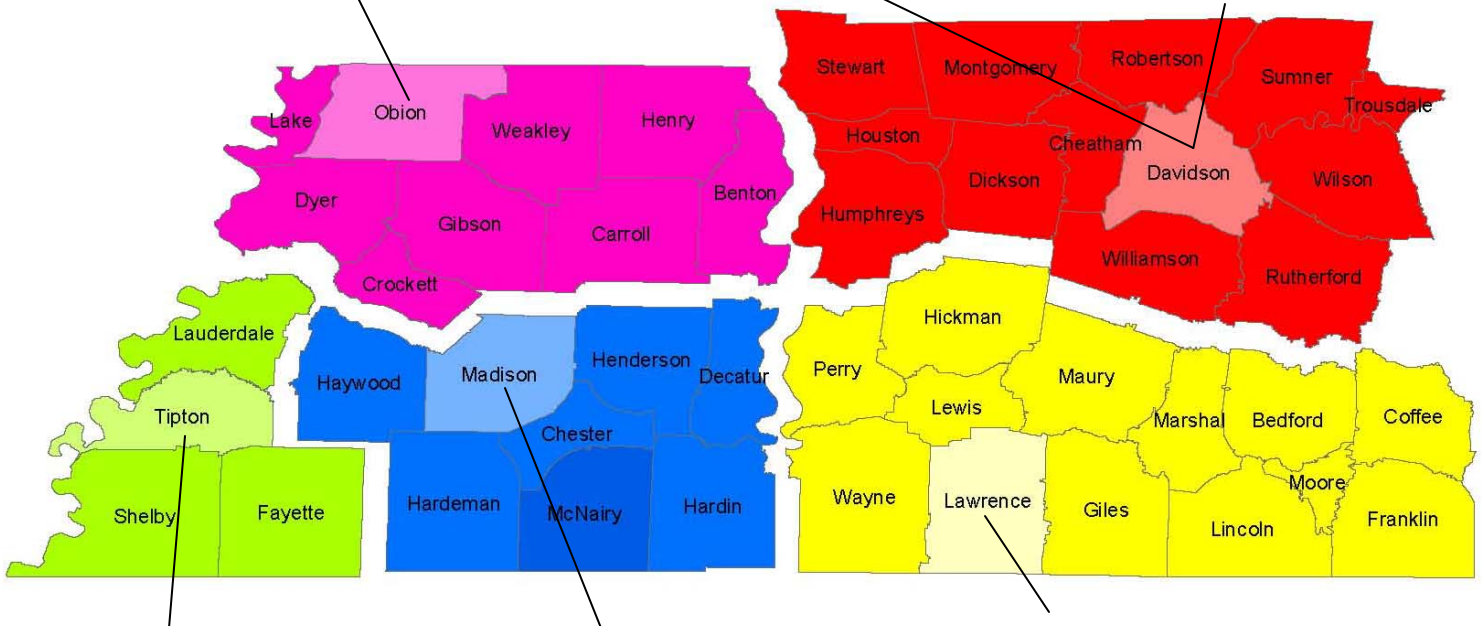
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State Office

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Mary (Ruth) Tackett - State Director
Robert Connelly - Asst. to the State Director
Terry Rose - Administrative Programs
Don Harris - Housing Programs
Dan Beasley - Business-Cooperative Programs
Keith Head - Community Programs



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Harriet Cannon - Area Director
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Jackson Area Office

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731-668-2091
Harriet Cannon - Acting Area Director
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Lawrenceburg Area Office

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931-762-6913
Faye Rodgers - Area Director
faye.rodgers@tn.usda.gov



Fayette County Government was joined by U.S. Rep. Marsha Blackburn for a \$35,000 Rural Development check presentation to assist the county with funding to conduct a rural water system feasibility study to identify needs and ensure sustainable economic development, job opportunities and location promotion for industrial and small business investments in Fayette County.

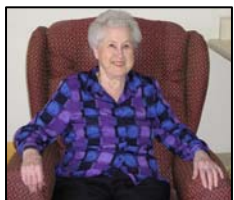


Brownsville Boys and Girls Club received \$30,000 in Rural Development assistance to renovate a section of Carver High School and increase its meeting facility for the more than 100 boys and girls who attend the Boys and Girls' Club after school program each day.



Tennessee BioEnergy, Inc., in Manchester received a \$60,000 Renewable Energy Grant through Rural Development's Business Program for a project to support local production of biodiesel fuel. This facility will be one of the first of its kind in Tennessee.

OFFICES



Cookeville Senior Living, LLC – a 44-unit assisted living facility – received a \$2.7 million guaranteed loan through Rural Development and Tennessee Commerce Bank to complete an acquisition by the previous owner and continue serving senior residents with limited nursing care, meals, pharmacy needs and supportive activities.



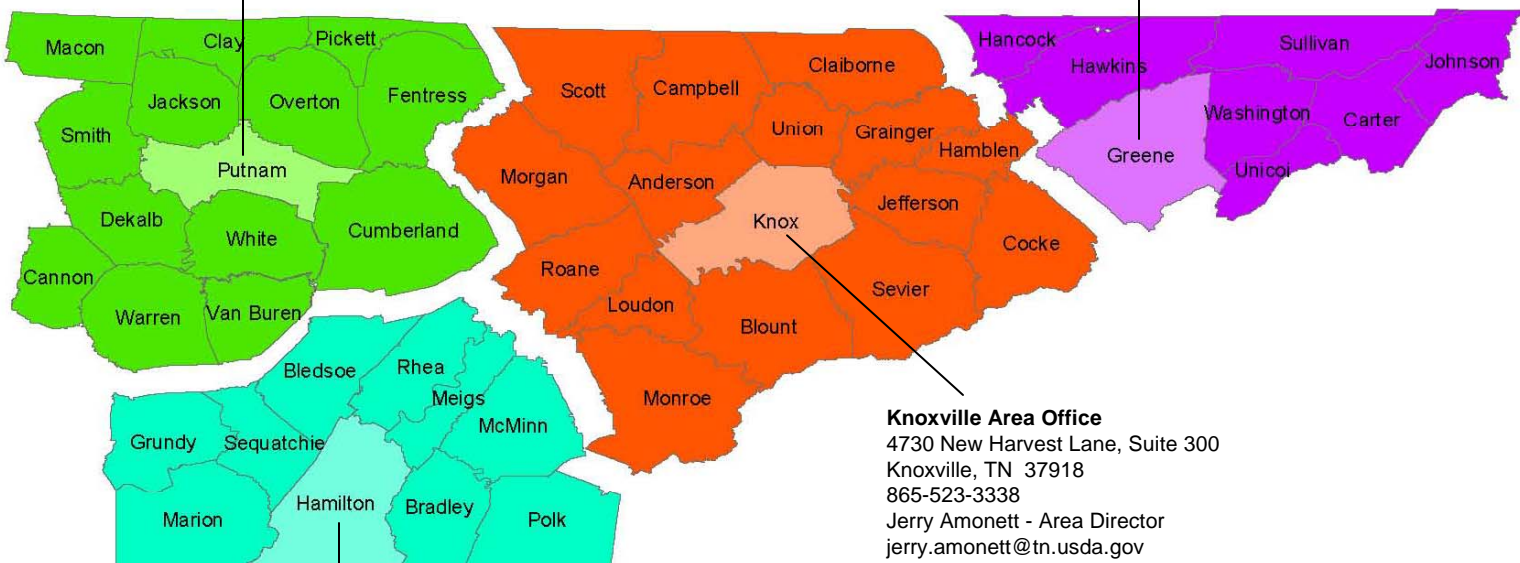
John M. Reed Home for the Aged in Washington County received \$185,000 in Rural Development Community Facility funding assistance for improvements to their sprinkler system and complete kitchen renovations.

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Piedmont Elementary Earth Day Poster

Contest winners are joined by Congressman Zach Wamp and Patrick Jaynes, State Director for U.S. Senator Lamar Alexander, to present a ceremonial check for \$1.5 million to the City of Newport for improvements to their water system.



Terrace View Marina and Resort, Inc. received a \$3 million Business and Industry Guaranteed Loan to provide long-term financing for improvements to its nine-acre marina and resort property at Watts Bar Lake.



Committed to the future of rural communities.

For more information contact the Rural Development office in your area or visit www.rurdev.usda.gov/tn

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April 5-6, 2006
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Eric Canada

LUNCHEON SPEAKER

"Hitching Up A Winning Team"
Bryan Townsend

SAMPLE WORKSHOPS

"Can Small Towns Be Cool?"
Dave Ivan

"10 Commandments for Economic Development"
Maury Foreman

"Industrial Site Development: Best Practices"
Mark Sweeney

"So What? Who Cares? How To Get Right To The Point With The Media"
Dave Yewman

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LESLIE TOWNE CENTRE
CONCLUSION • APRIL 6, 3:30 P.M.
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